



Fruitport Charter Township

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RE: HCR 0054

Dear House Subcommittee,

Mr. Chairman, members, thank you for extending this hearing today. This is a critical issue for West Michigan. There are many here today so I'll keep my comments brief.

HCR 0054 is of great importance to not only Fruitport Township but all of West Michigan. Muskegon County has been one of the hardest hit areas in the country during this economic downturn. Prior to the downturn Muskegon had already begun a significant shift in its employer base. The long term "gold watch" employer's have been exiting Muskegon for years. Employers like Brunswick, Sappi Fine Paper, Sealed Power, and CWC left and are not being replaced. Muskegon has begun to shift its focus from a large manufacturing employer base to a more balanced approach of manufacturing, technology, retail, and tourism.

The expansion of Michigan's Adventure by Cedar Fair Entertainment Company, the addition of the Lake Express cross lake ferry service and the growth of the retail districts show a push towards tourism in Muskegon County. Local officials have begun to expand our festivals to attract more out-of-town and out-of-state tourists.

In mid 2008 the Little River Band of Ottawa Indians (Tribe) purchased the then defunct Great Lakes Downs horse racing facility (site). This site is uniquely placed in a perfect location for a casino whereas it was previously a gaming facility, has highway access from US 31 and I 96, and is within a growing commercial/retail corridor.

The Tribe, Township, and County (parties) had several meetings that dealt with the impacts on the local communities a casino may have. Throughout this collaboration, the parties came to an agreement on a comprehensive Municipal Services Agreement (MSA) which abates all impacts that a casino may have and contributes to the overall public good. This agreement has: unanimous support from the Tribal Council, unanimous support from the Fruitport Township Board of Trustees, and unanimous support from the Muskegon County Board of Commissioners. It has also received support from Muskegon Area First and other economic development organizations. Some of the impact areas to the local communities and public benefits of the casino addressed in the MSA are as follows:

1. Public Sewer System

The Township was faced with upgrading the sanitary sewer lift station which would receive all the sewage in the Southern half of the Township. The Township was preparing to upgrade the

lift station, at its expense, which it could not afford due to the small customer base. In order to accommodate future growth the lift station needed to be upgraded and expanded; however, due to the cost, the Township could only afford to upgrade. The Tribe has agreed to pay half of the cost to completely upgrade and expand the lift station, with capacity to serve all customers when the sewer system is completed and available to all residents and businesses, even though it will only need approximately one-tenth of the capacity. Without the Tribe's contribution, this would not happen at this time which would defer and increase costs to the next generation. In addition to this, the Tribe has agreed to pay the customary connection charges, which will benefit the entire customer base, and pay to build the entire necessary sewer infrastructure on and off its site that will benefit future economic growth. The Tribe's commitment and contribution to the natural environment will accelerate the expansion of sanitary sewer to Fruitport Village. This will be the key to reversing the eutrophication and reducing pollution in and to Spring Lake.

2. Public Water System

Like the sewer system, the water system is in need of many improvements not on the Casino site, including a new water tower to meet current system demands. Here again the Tribe is making an up-front contribution to the cost of the water tower and other future improvements. In addition to paying all customary connection charges the Tribe is also paying for several water system improvements and new installations on and off its site that will benefit future economic growth.

3. Mental Health

As part of the MSA, the Tribe has agreed to contribute \$25,000 per year to train the Department of Mental Health's "psychologists and social workers in order that they obtain the necessary expertise to respond to problems that may arise as a result of gambling additions" even if these additions are manifested in other gambling activities such as the State Lottery, local Bingo, or the internet.

4. Jobs

The Fruitport Township Board is most certainly appreciative of the State of Michigan's programs and assistance aimed at maintaining and expanding employment. Among these efforts includes public infrastructure grants from the MDEC relative to job creation. Staff at the MDEC and other State agencies have and are working tirelessly assisting the Township in these efforts. We have been given an opportunity to immediately create 1,200 jobs with a mean income over \$40,000 per year with paid benefits (not including spillover jobs that will result from the casino development) without any financial assistance. At this point we can only prevent these jobs.

5. Economic Development

Numerous credible, peer reviewed, and unbiased studies have concluded this type of development, Tribal casinos, will have overall positive impacts on economic development in the immediate and surrounding areas. The economic impact of this development can only help the area's declining home values, high unemployment rates, and blight and will spur additional spillover developments.

6. Public Safety

The Tribe has agreed to cover all costs it incurs on or off its site that may be directly or indirectly caused by the casino. There will be no financial impact to the Township or County's Public Safety Departments.

7. 7th Generation Fund

The Tribe has agreed to contribute to what has become the "7th Generation Fund." Also called the "General Community Benefits Contribution," the estimated contribution will be approximately \$2,000,000 (2% of net win) per year and is intended "to mitigate the potential impacts on the Township and the County." These funds will also be available for future generations to use for the general good of the community.

8. Revenue Sharing Board

In addition to the above, the Tribe has agreed to contribute approximately \$2,000,000 (2% of net win) each year to the Township and County to cover any additional costs that may be incurred due to the casino that are not reimbursed.

The above shows the Tribe's commitment to West Michigan and further demonstrates the same will not be financially or economically injured by its operations. The MSA overwhelmingly displays and memorializes the Tribe's commitment to West Michigan as outlined above and in other areas.

I'm sure you have heard a significant amount of data on the economic impacts of casinos. While I would welcome a public debate on the many skewed inferences that are made about casinos and their economic impact; however, for this hearing, I will just say, it's the Township's position that all credible, peer reviewed, and unbiased-scientific studies conclude the overall economic impacts of *Tribal* casinos are positive. I caution you to recognize that anyone here today can cite a study that will support their views. In this case, I strongly believe that non-biased scientific studies will not give the same negative conclusions you may hear today.

We have heard claims that this proposal may have negative impacts on other casinos hundreds of miles away. I have personally seen a Wal-Mart Supercenter open in the City of Roosevelt Park which in part caused the D&W Grocery store in the same area to go out of business. If these interest groups that make these claims are so concerned about negative externalities, why don't they take similar efforts towards the Wal-Marts and Meijer's of this world? In the system where Adam Smith's "invisible hand" carries the day, I don't recall giving much credence to any request to block market entry of a business on claims it may hurt profits 200 miles away. Unlike the Wal-Marts and Meijers of this world, this casino will spend nearly all revenues within the state of Michigan and not ship profits or jobs overseas.

I make no apology if, by incidental chance, a casino in West Michigan cuts into the economic profits of a large non-tribal business across the State. I do however offer an apology to the numerous West Michigan citizens who are sitting at home, a home they may not own much longer, because their government is influenced by interest groups that are concerned with profits and not the citizenry of West Michigan. Two days ago, we were informed another 87,000 Michigan residents will lose their unemployment benefits thereby exacerbating the need for quick action on this issue. I find it interesting that the Little River Band has never opposed other tribal gaming projects or their tribal sovereignty; however, now the Little River desires a new gaming facility they are not afforded the same courtesy.

Several years ago the United States declared war on terror and war against jobs with its epicenter right here in Michigan. Reckless economic and taxing policies propelled us into the situation we are now in. This condition has replaced high paying jobs with minimum wage part time jobs without benefits. Even though this is situation totally out of your control you have been charged with fixing it. With approximately 10,000 workers unemployed in Muskegon County, you can reduce that number by nearly 10% right now. I'm unaware of any other stimulus that could do that.

We constantly hear how the recession is hurting state and local governments. The central focus is on how revenue reductions have impacted public safety; police and fire. I'd like to shift your focus away from public safety and take a look at how one Public Works function has been negatively impacted and how this proposal can address it.

As a result of the economy and numerous businesses leaving, Muskegon County is strapped with a sewer treatment plant with a capacity to treat 50 million gallons per day which is treating less than 10. High fixed costs cause the rates to increase exponentially and consolidation isn't going to help. Similarly, the water treatment plants have excess capacity as demand has decreased. This excess capacity increases the cost to the existing utility customers. Not a week goes by where I am not called to the front office to deal with a utility customer; most of which have lost their jobs and can't afford to pay a \$50 quarterly utility bill. This casino will enable us to reduce the average utility bill by over 10%. For some on fixed incomes we will be able to reduce their bill by nearly 26%.

With all due deference to those that oppose this casino for non-economic reasons, I feel it's not our position to prevent private activities, buying a lottery ticket, playing video games, or going to a casino, that *may* be abused. If our government goes down this road, the limits are endless and we will end up regulating everything from thrift shops to churches. Fruitport Township and the surrounding communities view this proposal as an entertainment venue and a means to stimulate economic growth and stability in West Michigan. As a Christian I certainly respect their view points; however, if we are going to regulate and implement one particular set of moral standards, whose will they be?

On behalf of the Township, I hereby submit the foregoing information to expound the Township's position on the proposed change to the Third Amendment that is being considered. Furthermore, I respectfully request this issue be put forth to the House Floor for consideration at its next session.

Mr. Chairman, Sub-Committee members, thank you for hearing our comments today. In light of Township's and the overall economic situation, I have paramount confidence you will act in an appropriate manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Brian Werschem', with a long horizontal flourish extending to the right.

Brian Werschem
Supervisor, Fruitport Charter Township